

AMENDED IN ASSEMBLY MAY 4, 2011

AMENDED IN ASSEMBLY APRIL 4, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 697

Introduced by Assembly Member V. Manuel Pérez
(Coauthors: Assembly Members Block, Blumenfield, Chesbro,
Cook, Dickinson, Huffman, Jeffries, *Bonnie Lowenthal*, Monning,
Nielsen, and Williams)
(Coauthor: Senator Runner)

February 17, 2011

An act to amend Section 987.85 of the Military and Veterans Code, relating to veterans.

LEGISLATIVE COUNSEL'S DIGEST

AB 697, as amended, V. Manuel Pérez. Veteran: acquisition of home: interest of record.

The Veterans' Farm and Home Purchase Act of 1974 authorizes the Department of Veterans Affairs to assist veterans in acquiring homes and farms by generally providing that the department may purchase a farm or home which the department then sells to a purchaser, as defined. Existing law prohibits the department, except in limited circumstances, from acquiring a home in which the veteran has an interest of record.

This bill would ~~eliminate this prohibition, and would instead~~ authorize the department to acquire a home in which the veteran has an interest of record for the purpose of refinancing an existing mortgage loan, ~~as provided that is not an existing loan acquired under the Veterans' Farm and Home Purchase Act of 1974.~~ This bill would require the department to adopt and publish rules and regulations, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 987.85 of the Military and Veterans Code
2 is amended to read:
3 987.85. (a) The department shall not acquire a home in which
4 the veteran has an interest of record except in the following
5 instances:
6 (a)
7 (1) Where the application is for aid for the construction of a
8 home upon real property owned by the applicant and the
9 improvements to be constructed thereon have not reached
10 completion as evidenced by the issuance of a certificate of
11 occupancy.
12 (b)
13 (2) Where the veteran had no interest of record in the property
14 at the time of filing his or her application and thereafter secured
15 interim financing pending the processing and approval of the
16 application by the department.
17 (c)
18 (3) Where the application is for the purchase of a mobilehome
19 to be situated upon real property, or an undivided interest therein,
20 owned by the applicant.
21 (d)
22 (4) Where the applicant is an Indian veteran and the application
23 is for the construction of a dwelling house or other improvements
24 on, or for the purchase of a mobilehome to be sited on, trust land
25 in which the Indian veteran has a beneficial interest or owns an
26 interest of record.
27 (e)
28 (5) Where the application is for assistance to enable the veteran
29 to purchase his or her space, or share in a mobilehome park, which
30 is converted from a rental park to a nonprofit corporate
31 resident-owned park or subdivision, cooperative, or condominium
32 for mobilehomes, in which the veteran resides in his or her
33 mobilehome. A veteran applying for assistance under this
34 subdivision shall not be required to have his or her mobilehome
35 reinstalled on a permanent foundation system as a condition of

1 receiving the proceeds of the loan to purchase his or her space or
2 share of the park. This subdivision shall be implemented by the
3 department only to the extent that expenditures for the kind of
4 financial assistance to veterans enumerated herein conform to the
5 requirements of federal tax law with regard to the tax-exempt status
6 of funding instruments utilized to provide the assistance.

7 *(b) Notwithstanding subdivision (a), the department may acquire*
8 *a home for the purpose of refinancing an existing mortgage loan*
9 *that is not a mortgage loan acquired under the Veterans' Farm*
10 *and Home Purchase Act of 1974, known as the Cal-Vet loan*
11 *program.*

12 *(1) The certain funds used by the department for the purposes*
13 *described in this subdivision shall be used in accordance with*
14 *federal laws and regulations governing the use of qualified*
15 *mortgage bonds and qualified veterans' mortgage bonds.*

16 *(2) The department shall, consistent with the purposes of this*
17 *article, adopt and publish rules and regulations that are necessary*
18 *to implement this section.*

19 ~~SECTION 1. Section 987.85 of the Military and Veterans Code~~
20 ~~is amended to read:~~

21 ~~987.85. (a) The department may acquire a home in which the~~
22 ~~veteran has an interest of record for the purpose of refinancing an~~
23 ~~existing mortgage loan.~~

24 ~~(b) The certain funds used by the department for the purpose~~
25 ~~specified in subdivision (a) shall be used in accordance with federal~~
26 ~~laws and regulations governing the use of qualified mortgage bonds~~
27 ~~and qualified veterans' mortgage bonds.~~

28 ~~(c) The department shall, consistent with the purposes of this~~
29 ~~article, adopt and publish rules and regulations that are necessary~~
30 ~~to implement this section.~~